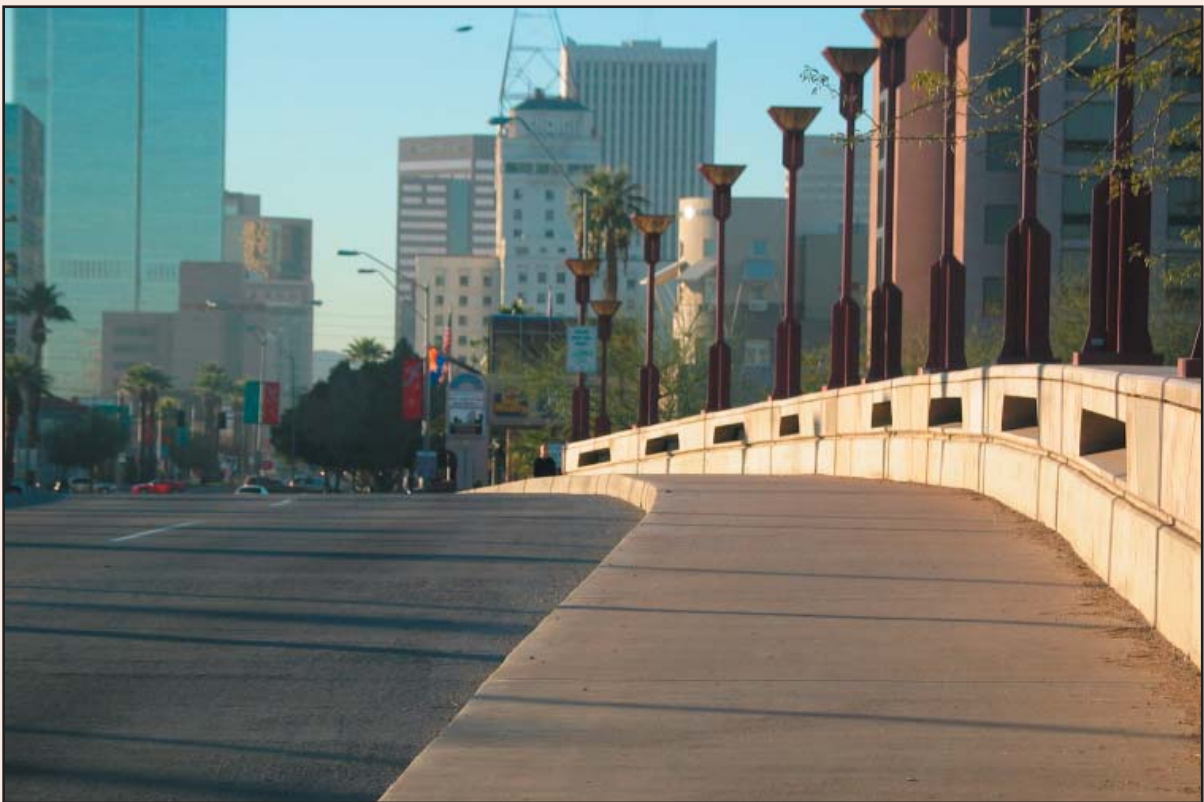


Arterial Life Cycle Program Policies and Procedures



January 25, 2006



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BACKGROUND

In 2004, the Maricopa Association of Governments (MAG) initiated development of the Arterial Life Cycle Program (ALCP, or the “Program”), to provide management and oversight for the implementation of the arterial component of the Regional Transportation Plan (RTP, or the “Plan”). MAG is the designated Metropolitan Planning Organization (MPO) for the Maricopa region. MAG serves the role designated in ARS: 28-6308 as the “regional planning agency” for this region.

The Policies and Procedures were developed in coordination with the Transportation Review Committee in workshops held in 2004 and early 2005 and are consistent with the requirements in House Bill 2456, passed in 2004 in association with the development of the Regional Transportation Plan (RTP) and Proposition 400. The Transportation Policy Committee reviewed and recommended the Policy and Procedures for approval on June 22, 2005. The Regional Council approved the Policies and Procedures on June 29, 2005.

The ALCP relies upon two main elements:

1. Policies, which provide direction to decisions and processes, in conjunction with procedures, which specify steps needed to implement specified policies.
2. Project Agreements (PA), which serve to define the roles and requirements for agencies participating in the implementation of each project.

I. PROGRAM MANAGEMENT AND ADMINISTRATION

Section 100: Program Objectives

A. The ALCP has five key objectives:

1. Effective and Efficient Implementation of the RTP: Facilitate the effective and efficient implementation of the arterial component of the RTP. In support of this objective, the Program should:
 - a. Ensure projects are implemented in a manner consistent with the RTP including any updates or amendments.
 - b. Include means to track project implementation against requirements established in the RTP and the ALCP.
 - c. Be administratively simple.
2. Fiscal Integrity: Ensure the fiscal integrity of the regionally funded arterial component of the RTP. In support of this objective, the Program should:
 - a. Establish comprehensive financial and reporting requirements for each project.
 - b. Coordinate with the RTP and the other modal programs on key financial, accounting and reporting policies, procedures and practices.
3. Accountability: Provide the means to track and ensure effective and efficient project implementation. In support of this objective, the Program should:
 - a. Employ comprehensive Project Agreements or other legal instruments that detail agency roles and responsibilities in the implementation of specific projects.
 - b. Provide the means within each Project Agreement, Project Overview and Project Reimbursement Request to track project implementation, performance and successful completion of individual projects and the Program.
4. Transparency: Provide members of the public, elected officials, stakeholders, participating agencies and others with ready access to information on the Program and on each project. In support of this objective, the Program should:
 - a. Include substantial public and stakeholder consultation as part of the implementation process for each project.
 - b. Require that material changes to projects in the Program be subject to public and stakeholder consultation through the MAG Committee Process as well as any other consultation processes, including within the community or communities affected, as specified in the associated Project Agreements.
5. Compliance: Comply with all applicable federal, state and local requirements in the implementation of projects.

B. Consistency with the RTP generally means that an ALCP project meets project eligibility requirements as specified in Section 200 and the scope matches the project described in the RTP.

C. The Program must be flexible and allow adjustments as needed in support of meeting the general objectives.

Section 110: Applicability of Arterial Life Cycle Program Policies and Procedures

- A. The requirements established in this document are limited to arterial street projects (including arterial intersections) as specified in the RTP that receive regional funds, including federal, state and regional (including half-cent) funds.
- B. Projects receiving any federal funding in the ALCP must satisfy all federal requirements in addition to the requirements established in this document.
 - 1. Only select projects will have federal funding allocated to them. Those that do will be identified and the Lead Agency designated for that project will work with MAG and the ADOT Local Government Section to ensure conformity to federal and ALCP requirements.
 - 2. The projects receiving federal funding will adhere to both the federal and the ALCP requirements.

Section 120: Programming the Arterial Life Cycle

- A. The RTP establishes regional funding limits as well as general scopes and priorities for all ALCP projects.
- B. All ALCP projects must be programmed in the approved MAG Transportation Improvement Program (TIP) before they may be implemented or reimbursed.
- C. Programming of projects funded by the ALCP must be consistent with the ALCP and the ALCP Policies and Procedures.
 - 1. Projects will initially be programmed based on the regional funding specified in the RTP plus local match contributions, as well as scopes and termini as described in the RTP.
 - a. In order to support the development of Project Agreements that include a scope and schedule for each project, programming of each ALCP project shall include a separate scoping or design phase that precedes right of way acquisition and construction, unless otherwise agreed to by MAG. Environmental clearances may be funded as part of the scoping or design phase.
 - b. Programming of subdivided projects will only be conducted following the completion of the process described in Section 220(C) for subdividing projects.
 - 2. Amendments to the TIP, RTP and/or Project Agreement for a project(s) must follow the policy set in Section 220.
 - 3. Federal funds will be allocated to projects, considering:
 - a. A request from the Lead Agency.
 - b. It is on a new alignment, has a potential impact on sensitive areas and/or populations or that it may readily accommodate the federal process given the size or schedule.
- D. Inflation will occur throughout the ALCP. The original project budgets listed in the 2003 approved RTP were expressed in 2002 dollars. The annual update of the ALCP will require that the project budgets be adjusted to account for the past year's inflation.
 - 1. The regional funding specified in the original RTP for a project will be adjusted annually for inflation based on the All Items United States Consumer Price Index (CPI), All Urban Consumers
 - a. This information can be found on the US Department of Labor, Bureau of Labor Statistics website: <http://data.bls.gov>. The specific series used for calculating inflation is U.S. All items, 1982-84=100 – CUUR0000SA0.

2. The inflation rate is calculated using the month of March base year 2002 and March of the current year.

E. Use of surplus and/or deficit Program funds.

1. If there are surplus Program funds, existing projects will be accelerated in priority order of the ALCP.
 - a. For projects to be accelerated, the matching local funds must be committed.
 - b. If there are surplus funds available upon full completion of the ALCP, the MAG Transportation Policy Committee will discuss options regarding additional projects.
2. If there is a deficit of Program funds to the ALCP, the ALCP projects will be delayed in priority order of the ALCP.

F. Moving ALCP Projects:

1. A jurisdiction is allowed to advance design, acquire right of way and construct a project in the ALCP.
 - a. The payment for the project will stay in the original year it is programmed in the ALCP based on the RTP.
 - i. Reimbursement for a project will be the amount listed, plus inflation to the year it is programmed in the ALCP.
 - b. The advancement of a project must consider the impact of the proposed change on other RTP projects and on neighboring communities.
2. Deferring a project
 - a. To defer a project, the Lead Agency must submit a written request stating the reason(s); the new schedule to MAG and the request must be approved through the MAG Committee Process.
 - b. The deferral of a project must consider the impact of the proposed change on other RTP projects and on neighboring communities.
 - c. If a project is deferred, other projects will be moved in priority order at that time, taking into account: project readiness, local match available and funding source preferences.
3. Substituting Projects: If an original ALCP project has exhausted all means to develop an acceptable scope of work and/or the project is deemed not feasible given environment, public concerns, costs and other factors, a substitute project may be proposed for substitution in the same jurisdiction as the original project.
 - a. The Lead Agency shall submit a written request, including the justification and the description of steps to overcome the issues related to deleting the original project from the ALCP and RTP.
 - b. The substitution of a project must consider the impact of the proposed change on other RTP projects and on neighboring communities.
 - c. The Lead Agency may propose a substitute project that would use the regional funds that are allocated to the original project.
 - i. The substitute project should relieve congestion and improve mobility in the same general area addressed by the original planned project, if possible.
 - d. The deletion of the original project and the addition of the substitute project must be approved through the MAG Committee Process and be subject to any required consultation process.
 - e. If approved, the RTP and TIP shall be amended, subject to any necessary air quality conformity analysis.

G. Working with ADOT

1. ADOT maintains the arterial street fund and will be responsible for issuing bonds, through the State Transportation Board, on behalf of the street program, as designated in ARS: 28-6303.D.2.
2. MAG will work with ADOT regarding budget, invoicing process and other fiscal matters.

H. Reporting

1. At a minimum, the ALCP Certification Report will be issued annually. It will provide the status of the projects, project additions, project deletions, changes to the schedule of projects, Program and project financing and other necessary components. ARS: 28-6354.
2. All participating agencies will provide available information to MAG for needed reports, such as: GIS based information, traffic counts, travel speeds and delay data.
3. Audits – All participating agencies must cooperate and provide requested information, if available, as part of the performance audit to be conducted by the Auditor General beginning in 2010, and every fifth year thereafter. ARS: 28-6313.A.
 - a. All participating agencies will provide information to meet the minimum requirements for the audit report by way of the Project Overview and Project Reimbursement Request.

Section 130: MAG Committee Process

- A. The MAG Committee Process is defined in Appendix A - Definitions
- B. Final decisions regarding the ALCP rest with the MAG Regional Council with recommendations from the Transportation Review Committee (TRC), MAG Management Committee and the Transportation Policy Committee (TPC). Variations to the MAG Committee Process may be applied. These include, but are not limited to:
 1. Other committees, including MAG modal committees, MAG Street Committee, and the MAG ITS Committee, or bodies outside this process may consider and advise on the same item.
 2. Consultation with the Citizens Transportation Oversight Committee (CTOC) will be conducted as appropriate and consistent with requirements in ARS: 28-6356(F) & (G).
- C. The MAG Committee Process will apply for:
 1. Approval of amendments to the ALCP Policies and Procedures.
 2. Adoption of the Arterial Life Cycle Program.
 3. Approval of amendments to ALCP projects in the TIP, RTP and/or that have a material change.

Section 140: Modifications to the Arterial Life Cycle Program Policies and Procedures

- A. To make changes to the ALCP Policies and Procedures:
 1. MAG staff will suggest new provisions, additions and revisions to the ALCP Policies and Procedures when necessary.
 2. Member agencies may submit suggested changes to MAG and the chairperson of the Transportation Policy Committee.

II. PROJECT REQUIREMENTS

Section 200: Project Eligibility

- A. To be funded or constructed under the Program, all projects must:
 - 1. Have a scope, budget (including amounts of regional funding and local match contributions) and schedule consistent with the project as included in the RTP, ALCP, as appropriate, the TIP and consistent with federal requirements where applicable.
 - 2. Be considered new in keeping with voter expectations, and as such:
 - a. Cannot include costs for any pre-existing, programmed or planned element or improvement that is not part of the specific improvement project described or included in the RTP as of November 25, 2003 or later.
 - b. Cannot have already begun design, acquired right of way or begun construction before the date specified in Section 340(A) or the date of the addition of the project to the RTP.
- B. Facilities eligible for improvements under the ALCP include:
 - 1. Major arterials as defined in Appendix A for this document, which include:
 - a. Roadway facilities on the regional arterial or mile arterial grid system.
 - b. Roadway facilities that connect freeways, highways or other controlled access facilities.
 - c. Other key arterial corridors.
 - 2. Intersections of eligible major arterials.
- C. All projects must be designed to standards agreed to by the designated local jurisdictions and the Lead Agency established in the Project Agreement:
 - 1. The agreed standards, which may be higher than the standards in use in the local jurisdiction(s), will be specified or referenced in the Project Agreement.
 - 2. Standards for multiple jurisdictional projects should be consistent to the extent feasible.
- D. Reimbursable items for regionally funded projects are limited to:
 - 1. Design, right of way and construction, as required in ARS: 28-6304(C)(5) and ARS: 28-6305(A). Design Concept Reports, planning studies and related studies, such as environmental and other studies, are also eligible.
 - 2. Capacity improvement projects.
 - 3. Safety improvement projects.
 - 4. Projects or components thereof directly related to capacity and safety improvements, including:
 - a. Intelligent Transportation Systems (ITS).
 - b. Signals.
 - c. Lighting.
 - d. Transit stops and pullouts, as well as queue jumper lanes, for example, for bus rapid transit.
 - e. Bicycle/pedestrian facilities where integral to the roadway, including wide sidewalks separated from curbs.
 - f. Utility relocations, including under grounding of utility lines where required for safety or other reasons relating to function, and not purely for aesthetic reasons, and not otherwise considered an enhancement.
 - g. Drainage improvements for the project (with limitations), such as retention basins required for the project that would not normally be handled through County or other drainage funds,

within reasonable limits (and generally not exceeding typical practice for the local jurisdiction).

- h. Landscaped medians and shoulders, and other improvements within reasonable limits (and generally not exceeding typical practice for the local jurisdiction).
- i. Reconstruction projects, as identified in or supported by the RTP and as specified in Project Agreements, for eligible project elements.
- j. Access management.
- k. Rubberized asphalt and concrete paving.
- l. Staff time directly attributable to project.
- m. Noise, privacy and screen wall, and other buffers, if found to be necessary to meet applicable local, state or federal standards.

E. Notwithstanding findings or recommendations from the Design Concept Report or similar study, projects, project components or other costs that are not reimbursable from the ALCP include:

- 1. Enhancement projects or enhancement components of projects.
 - a. If a the Lead Agency and other agency (ies)/jurisdiction(s) listed in the Project Agreement requests an enhancement to a project funded in the ALCP, the local jurisdiction and/or Lead Agency shall pay all costs associated with the enhancement.
- 2. Right of way that is not used by the ALCP project, with potential exceptions on a case-by-case basis for land that is identified by the Lead Agency and/or the local jurisdiction or jurisdictions as not marketable for sale.
- 3. Any project or project element that exceeds reasonable limits or typical practice for the local jurisdiction in which the project or projects are located.
- 4. Administrative overhead costs by the Lead Agency and other agency (ies)/ jurisdiction(s) listed in the Project Agreement that are not attributed to the project.
- 5. Other expenses, such as bad debts, as determined by MAG.

F. The use of federal funds or other funding sources may involve further restrictions on the use of funds or eligible matching contributions.

G. Eligible local match contributions include:

- 1. Locally funded expenditures on eligible projects or elements as listed above in this section.
- 2. Third party contributions are taken at market value at the time of the donation, mutually agreed upon between the Lead Agency and other agency (ies)/jurisdiction(s) listed in the Project Agreement and MAG, and have supporting documentation.

H. The Project Overview for each project must identify all project components for which reimbursement for the regional share is sought from the ALCP, including the components of the project that will be funded locally or by third parties.

I. MAG Committee Process has the final determination on the eligibility of any project or project component for reimbursement from the Program.

Section 210: Project Authorizations

A. All projects must receive authorization to proceed with an executed Project Agreement before reimbursements are made.

- 1. The project must be included in the adopted local Capital Improvement Program.

2. A Memorandum of Understanding (MOU) may be used as a bridge to a full Project Agreement.
 - a. Design studies may be initiated under a MOU to determine project scope, costs and schedule, by a jurisdiction as needed for multijurisdiction projects.
 - b. The MOU may address other considerations, such as roles and responsibilities for local jurisdictions in a multijurisdiction project, or early right of way acquisition, as needed in a preliminary manner prior to a full Project Agreement.
 3. A Project Overview must be on file at MAG.
- B. Prerequisites for project authorization and the development of a Project Agreement include:
1. The scope, budget and schedule of the project as currently foreseen must match that specified in the RTP and/or TIP, otherwise the RTP and TIP must be amended.
 2. A Lead Agency for each project must be identified, agreed to by the local jurisdictions in which the project is located, and established in the Project Agreement.
 3. Adequate and secure funding from a local, regional and, if applicable, federal level must be identified in the Project Overview.

Section 220: Project Amendments

- A. An amendment to the RTP and the TIP, if appropriate, will be needed if a scheduled project in the ALCP is: subdivided, merged with another project, advanced, deferred, exchanged, accelerated, newly funded, given reallocated money and/or altered causing a change in the scope or schedule of the project. ARS: 28-6353.
1. Proposed amendments that in whole or in part negatively impact projects in the TIP, RTP and/or ALCP, may not be approved.
 2. Amendments are subject to approval through the MAG Committee Process on a case-by-case basis.
- B. The Lead Agency and other agency (ies)/jurisdiction(s) listed in the Project Agreement, typically initiates the amendment process by making a written request to MAG.
1. If the new or revised project resulting from the amendment is also to be regionally funded, it will be subject to all of the requirements of the ALCP.
 2. If an amendment is approved by MAG, corresponding amendments are required to the Project Agreement established for the original project(s).
 3. The request for the RTP and/or TIP amendment must be provided as part of the agenda item for review and consideration throughout the MAG Committee Process.
 - a. The request must explain why it is necessary to change the project scope, schedule or budget including regional funding as described in the Project Agreement.
 - b. The request must specifically address and justify the proposed changes in scope, budget or schedule relating to:
 - i. Project length.
 - ii. Through lane capacity.
 - iii. Facility location or alignment.
 - iv. All other key project features.
 - v. Potential negative impacts to other RTP projects, including freeway/highway, arterial, public transportation or other mode projects.
 - vi. Potential negative impacts to meeting all applicable federal, state, regional and local requirements, including but not limited to, any applicable requirements for air quality

conformity and any that may be imposed directly or indirectly following a performance audit.

- vii. Funding changes identified from the original project allocation, the contingency allowance; the overall revised budget and other key aspects of the funding, reimbursement or reallocation.

C. For RTP projects that want to subdivide or merge contiguous or nearly contiguous projects, an amendment to the RTP, TIP and Project Agreement, if necessary, for the new projects must be agreed to and executed.

1. A Design Concept Report or equivalent will be used to determine major project elements within each jurisdiction and to develop recommendations for budget allocations.
2. The Lead Agency and other agency (ies)/jurisdiction(s) listed in the Project Agreement must agree to the proposed subdivisions, merge and/or any other associated changes.
 - a. The resulting projects would together provide for the completion of the original project as specified in the RTP.

D. Projects may be advanced by the Lead Agency and other agency (ies)/jurisdiction(s) listed in the Project Agreement, who must pay the costs of advancing the project and wait for reimbursement from the Program in the fiscal year the project or projects are scheduled in the ALCP to receive regional funds. To do so, it is required that:

1. The Lead Agency and other agency (ies)/jurisdiction(s) listed in the Project Agreement must bear all costs and risks associated with advance design, right of way acquisition, construction and related activities for ALCP projects.
2. All parties listed in the Project Agreement must agree to the advancement.
3. Impacts on neighboring jurisdictions must be considered.
4. Financing costs and any other incremental costs associated with the advancement are not eligible for reimbursement.
5. The reimbursement for the advanced project will be in the original scheduled fiscal year.
6. If Program revenues are lower or higher than expected, then the repayment schedule is subject to Program delays or Program advancements in the same manner as any other project in the ALCP.
7. The Lead Agency and other agency(ies)/jurisdiction(s) listed in the Project Agreement may request to revert to the original project schedule as long as all non-recoverable costs incurred or committed are paid for by the Lead Agency and/or other agency(ies)/jurisdiction(s) listed in the Project Agreement, and there are no other unacceptable adverse impacts associated with the reversion.
8. The amount of regional reimbursement for projects advanced as segments of a larger RTP project will be determined following the completion of the process for subdividing projects as specified in Section 220(C) as will be specified in the Project Agreement to be executed for the project.
9. Upon completion of an advanced project, all Project Reimbursement Requests will be submitted to MAG and payments will follow the schedule established in the Project Agreement and Project Overview.

E. Projects may be deferred at the request of the Lead Agency and other agency(ies)/jurisdiction(s) listed in the Project Agreement, and/or MAG.

1. If a project is deferred, other projects will be moved in priority order for that year, taking into account: availability of Program funds, project readiness, local match available and funding source preferences.

F. Projects can be exchanged in the ALCP.

1. Exchanging projects requires the agreement of the respective Lead Agency, MAG and all other agencies/jurisdictions listed in the Project Agreement.
2. Funding for all projects involved in a project exchange must be documented for the Program both before and after the proposed exchange in order to demonstrate that there would be no negative fiscal impact on the ALCP.

III. PROJECT DETAILS

Section 300: Lead Agencies

- A. A Lead Agency must be identified for each ALCP project in the RTP.
 - 1. The Lead Agency is expected to be a MAG member agency.
 - 2. One Lead Agency per project will be accepted. If project is subdivided, please refer to Section 300(D) (b).
 - 3. The designation of a Lead Agency for each project will be accomplished through the signed Project Agreement with MAG.
- B. The Lead Agency will be responsible for all aspects of project implementation, including, but not limited to, project management, risk management, design, right of way acquisition and construction.
 - 1. The Lead Agency and MAG will be signatories to the Project Agreement.
 - 2. The Lead Agency and the agency(ies)/jurisdiction(s) listed in the Project Agreement are expected to use generally accepted financial and project management policies, practices and procedures in the use of funds received from the ALCP and in the implementation of the ALCP project.
- C. Projects in One Jurisdiction
 - 1. If a project falls entirely within one jurisdiction, that jurisdiction is expected to be the Lead Agency.
 - a. If there is change in jurisdictions because of an annexation that affects a project, the Lead Agency designated at the time of project implementation will continue.
 - 2. An alternative agency may be specified as the Lead Agency if the local jurisdiction in which the project is located agrees.
 - a. An agreement between the local jurisdiction and the Lead Agency must be documented in writing between the respective Town/City Managers, County/Community Administrator or designees.
 - b. A copy of that written agreement must be provided to MAG.
- D. Projects in Multiple Jurisdictions
 - 1. In cases where the RTP project is located in more than one jurisdiction, the project may be implemented as either:
 - a. One project with a single Lead Agency as agreed to by the agency(ies)/jurisdiction(s) listed in the Project Agreement.
 - i. The agreement to this effect between the local jurisdictions and the Lead Agency must be documented in writing between the respective Town/City Managers, County/Community Administrator or designees in a Memorandum of Understanding (MOU) and/or an Intergovernmental Agreement (IGA).
 - a. This agreement will be used to explain the multi-jurisdictional roles, responsibilities and terms of the project, which will be referenced in the Project Agreement signed by the Lead Agency.
 - b. A copy of this agreement must be provided to MAG, who must agree to the proposed Lead Agency designation.
 - b. The project may be subdivided and implemented as separate projects by local jurisdictions, if agreed to by all agencies/jurisdictions listed in the Project Agreement, and following the amendment process specified in Section 220(C).

Section 310: ALCP Project Budgets

- A. The regional funding for each ALCP project as specified in the RTP establishes the maximum amount payable from regional funds for that project.
 - 1. Every payment obligation of MAG under the RTP, ALCP and any Project Agreement or related legal agreement is conditioned upon the availability of funds appropriated or allocated for the payment of such obligation.
 - 2. The ALCP budget and timeline can change to account for surplus or deficit Program funds.
- B. The budget for each ALCP project:
 - 1. The regional contribution is limited to the amount specified in the RTP for the project, or 70% of the actual project expenditures, whichever is less.
 - 2. Will be established in the Project Agreement and Project Overview.
 - 3. The Lead Agency is responsible for all of the project costs over the regional contribution and, if applicable, will need to work with the other agency(ies)/jurisdiction(s) listed in the Project Agreement to cover those costs.
- C. Credits for local match requirements are not transferable between projects.

Section 320: Eligible Costs for Reimbursement

- A. Reimbursable expenditures are limited to ALCP projects meeting the requirements set forth in Section 200 (Project Eligibility).
- B. No reimbursements will be made:
 - 1. Prior to the execution of a Project Agreement.
 - 2. Prior to the year in which the funds for that ALCP project are programmed or would normally be received following the schedule in the TIP and RTP, unless there are surplus program funds, Section 120.E.
- C. Each ALCP project will have a reimbursement timeline specified in the Project Agreement and Project Overview.
- D. The Lead Agency shall send the Project Reimbursement Requests to MAG for payment from the Arizona Department of Transportation (ADOT). The Lead Agency will be responsible for:
 - 1. All project expenditures.
 - 2. Providing all Project Reimbursement Requests to MAG for reimbursement.
- E. Reimbursements will be made for expenditures paid with tax or public revenue only, including development and impact fees collected by a jurisdiction.
 - 1. Reimbursements will not be made for project elements donated or funded via cash or cash equivalent donations, right of way donations, exactions and/or other third party or non-tax funding sources.
 - 2. Reimbursements from the ALCP will not be made for expenditures that have already been reimbursed from other sources, either in cash or cash equivalents or through in-kind contributions including, but not limited to, the provision of a transportation improvement project such as a design or related study, right of way acquisition or donation or construction.

- F. Project elements not eligible for reimbursement under subsection 320(A) and (B) may be eligible as credit toward matching costs if the requirements specified in Sections 330 (Eligible Prior Right of Way Acquisition and/or Work for Reimbursement) and 200 (Project Eligibility) are satisfied.
- G. Reimbursements, including local match contributions, will generally be commensurate with progress unless otherwise agreed to in the Project Agreement, such as for specific lump sum right of way acquisitions and/or work.
- H. Right of way or other capital assets acquired included as an eligible project cost, but not used in the ALCP project, must be disposed of at market rates and the funds returned to the ALCP for reallocation following the requirements contained in Section 330.

Section 330: Eligible Prior Right of Way Acquisition and/or Work for Reimbursement

- A. Prior right of way acquisitions and/or work that is part of a designated ALCP project is eligible for reimbursement if:
 - 1. Specified in a Project Agreement and/or Project Overview.
 - 2. Purchased/completed after November 1, 2002, for design, environmental and related planning studies and right of way acquisition.
 - 3. Completed construction and related activities after November 25, 2003.
- B. Eligible prior right of way acquisition and/or work is limited to ALCP projects scheduled or programmed for completion in Phase I of the RTP (which ends June 30, 2010), including ALCP projects accelerated or advanced from later phases.
- C. Reimbursements for prior right of way acquisition and/or work will be payable only to the agency that paid for the right of way acquired and/or work, unless that agency assigns the payment to another party or other terms are developed in the Project Agreement for the ALCP project.
- D. The Project Overview will identify as appropriate the priorities for reimbursement for prior right of way acquisition and/or work if more than one agency is requesting such reimbursement for that project.
- E. If prior right of way acquisition and/or work are not eligible for reimbursement, it may be credited toward the local match requirement if:
 - 1. The project or work was included in the local jurisdiction or Lead Agency CIP or in the MAG TIP approved after the start of MAG Fiscal Year 2001 (July 1, 2000).
 - 2. The project or work is not otherwise excluded in whole or in part elsewhere in these requirements.

Section 340: Project Reimbursement Requests

- A. A Project Reimbursement Request will contain a request for payment, an invoice and a progress report.
 - 1. The request for payment, invoice and progress report forms will be provided by MAG.
 - 2. For a current ALCP project, the Project Reimbursement Request will be submitted by the Lead Agency to MAG as needed, or by milestone completion (Section D.4.a-k), or unless otherwise agreed to in the Project Overview.

- a. The Lead Agency cannot submit a Project Reimbursement Request more than once per month.
 - b. The progress report will reflect the work that is being invoiced for.
 3. If an ALCP project is advanced, progress reports will be submitted and QA/QC meetings will be held based on the milestones of the project even though a full Project Reimbursement Request will not be submitted.
 - i. A full Project Reimbursement Request, including request for reimbursement and invoice is due at the time of project completion.
 4. All Project Reimbursement Requests shall be submitted to MAG for authorization for payment.
 - a. Participating agencies/jurisdictions may invoice the Lead Agency for any item including, but not limited to, work conducted or capital assets acquired for the project or as part of the project, subject to other terms in this agreement.
 5. The work conducted and/or received must meet all the requirements of the MAG ALCP Policies and Procedures as well as any and all other applicable federal, state, regional and local requirements.
 6. The Lead Agency must retain and certify all vendor receipts, invoices and any related project records as needed and that they are available for review.
 - a. These vendor receipts or invoices must be available for five (5) years after final payment is made; auditors, MAG or its designees can make possible requests.
 - b. Receipts and invoices for projects advanced by a jurisdiction may have a longer retention period.
 7. An authorized representative of the Lead Agency will sign all three forms: request for payment, invoice and progress report, certifying that the request is true and correct per the terms of the Project Agreement and Project Overview.
 - a. The duly authorized representative for the Lead Agency may be the respective Town/City Managers, County/Community Administrator, designee or a higher level representative of the organization that has signing authority and is designated in the Project Overview for that specific ALCP project.
 - b. No electronic or scanned signature will be accepted
 8. Matching contributions as required in the ALCP Policies and Procedures have been fully documented, invoiced and/or received, and are not in arrears.
- B. The request for payment will be approved and signed by the duly authorized representative from the Lead Agency, then it will be processed and approved at MAG and forwarded to ADOT for payment to Lead Agency. The request for payment form will include:
1. Project name, description and RTP ID
 2. Estimated total project costs
 3. Expenditures to date
 4. Regional fund budget
 5. Previous Regional fund payments
 6. Amount of Regional fund requests
 7. Remaining Regional funds
 8. Status of project development/completion
 9. Type of work for reimbursement request is for
 10. Mailing address for payment
 11. Signatures of authorized representatives from Lead Agency, MAG and ADOT

C. The invoice will include:

1. Invoice #
 2. Project name, description and RTP ID
 3. Reimbursable items and related costs
 4. Proper documentation of reimbursable items and reimbursable costs contained in invoice
 - a. A copy of the invoice from the contractor is sufficient documentation for contracted work.
 - b. An administrative breakdown chart including staff name, hours on project, hourly rate, and total costs is sufficient documentation for administrative work.
- D. The progress report of the Project Reimbursement Request will explain the status of the project, milestones and other necessary information.
1. It is the responsibility of the jurisdiction to document the work accomplished for each invoice or milestone during the reporting period.
 2. Advanced projects prior to the approved ALCP Policies and Procedures, will have special progress report requirements.
 3. For each progress report, the jurisdiction is to provide:
 - a. Percent of work complete
 - b. Work accomplished
 - c. Estimate v. real cost analysis
 - d. Work schedule analysis
 - e. Grievance/complaints reports
 - f. Procurement process update (when necessary)
 - g. Documents produced
 4. Milestones can be used to trigger a Project Reimbursement Request for a current project. Milestones must be used to trigger a progress report for an advanced project. The milestones are:
 - a. Studies
 - b. Preliminary Design - 60%
 - c. Final Design - 100%
 - d. Construction – 25%
 - e. Construction – 60%
 - f. Final Acceptance
 - g. Project Closeout
 5. Additionally to the progress report, there will be 3 Quality Assurance/Quality Control (QA/QC) meetings in the lifetime of a project.
 - a. Each QA/QC meeting will have an agenda developed by MAG to 1)review and discuss a list of questions and measures pertaining to the project schedule, budget and deliverables 2)facilitate discussion and updates between MAG and jurisdictions in a team environment and plan for improvements.
 - b. Each QA/QC meeting will consists of the project manager/other designee from the jurisdiction, a MAG representative and, if necessary and requested, other representatives from partner agencies and/or contractors.
 - c. These meetings will generally come after the Final Design milestone, the Construction - 60% milestone, and the Final Acceptance milestone.
- E. On MAG approval of Project Reimbursement Request, it will be forwarded to ADOT for payment.
1. MAG will work with ADOT to expedite payment dependent on availability of funds.
 2. Checks will be distributed from ADOT and sent to Lead Agency.

Section 350: Reallocation of Surplus Project Funds

- A. Surplus project funds from the ALCP will not be determined by MAG to be eligible for reallocation, unless and until:
 - 1. Construction has been completed and the work satisfies the original intent, the scope of the project as included in the Project Agreement and Project Overview and there are remaining regional funds that were allocated to the project,
 - 2. If applicable, right of way, or other capital assets acquired with ALCP funds not used in the ALCP project is disposed of at market rates and the funds returned to the ALCP, OR
 - 3. A high degree of certainty is obtained that construction for the original ALCP project will be completed consistent with the Project Agreement and Project Overview specified scope and schedule.
- B. ALCP regional funds found by MAG to be surplus to an ALCP project, and for which certain criteria as established below are met, may be reallocated in that jurisdiction depending on the availability of Program funds.
 - 1. To another ALCP project or projects in the jurisdiction to address a budget shortfall, not to exceed 70% of the total cost of the project.
 - 2. To advance a portion or entire existing ALCP project or projects in the jurisdiction up to the amount of available surplus funds.
 - 3. If there are surplus regional funds upon full completion of the ALCP, then new projects for that jurisdiction may be funded.
 - 4. Subject to approval through the MAG Committee Process of the needed amendments to the RTP and, as needed, to the TIP.
- C. An amendment to the RTP and/or TIP will be required to change the amount of regional funding, local match contributions, the project budget, the schedule for the ALCP project and for any reallocation of funds to other uses.

IV. PROJECT OVERVIEW AND PROJECT AGREEMENT

Section 400: Project Overview

- A. Each ALCP Project will have a Project Overview submitted to MAG before the Project Agreement is signed.
 - 1. For advanced projects, a Project Overview will be submitted when the project begins.
- B. The Project Overview can be updated throughout the project as long as it is not a material change.
- C. The Project Overview will provide at a minimum:
 - 1. Lead Agency contacts and other agency(ies) jurisdiction(s) involved in the project.
 - 2. Project scope, project alignment, project history, project considerations, ITS components, multi-modal issues, project development process including, as needed, environmental, utility and right of way clearances.
 - 3. Map/photographs
 - 4. Timeline
 - 5. Management plan
 - 6. Project data
 - 7. Cost estimates
 - 8. Contingencies
 - 9. Cost savings
 - 10. Summary of work, including: year of work, total cost, local share, federal share, regional share, year for reimbursement
 - 11. Project documents if needed: IGA, MOU, DCR, Corridor Study, Project Assessment, supporting document for developer contributions, project amendments, environmental overview
 - 12. Funding sources
- D. A Project Overview template will be provided by MAG.

Section 410: Project Agreement

- A. A Project Agreement between MAG and the designated Lead Agency will be required for every project before reimbursable expenditures may be initiated.
 - 1. If a project is completed and eligible for reimbursement following the stipulations in Section 340, a Project Agreement has to be in place before Project Reimbursement Requests are submitted for reimbursement.
 - a. If a project is advanced, a Project Agreement has to be in place before the completion of the project.
 - 2. The scope, regional funding and schedule specified in the Project Agreement must match that specified in the RTP for the project.
 - a. Project subdivisions must be approved through the MAG Committee Process as described in Section 220(C) and the RTP and, as appropriate, the TIP amended showing those subdivided projects before Project Agreements can be executed for any of the subdivided projects.
 - i. The Project Agreement can be in a developmental stage while the amendment is being approved through the MAG Committee Process.
 - b. A Project Agreement will not be executed for subdivided projects or projects with scopes less than that specified in the RTP, even if proposed subdivisions are already listed for preliminary programming and financial planning purposes in the TIP, unless the RTP and ALCP is amended.

- B. Each Project Agreement will be based on a standard agreement provided by MAG and customized for each project.
 - 1. Any material changes to the standard Project Agreement or template for a specific project must be identified in a clear and concise manner in the summary section of the Project Overview for that project.
- C. The Project Agreement will be comprehensive. The Project Agreement will typically address at a minimum:
 - 1. Project scope, type of work, schedule of work and reimbursement, the regional share and federal funding if applicable.
 - 2. Lead Agency and other agency(ies) jurisdiction(s) involved in the project.
 - 3. Applicable Design Standards.
 - 4. Responsibilities of the Parties.
 - 5. Risk and indemnification.
 - 6. Records and audit rights..
 - 7. Term and termination.
 - 8. Non-Availability of Funds.
 - 9. Conflict of Interest.
- D. Upon approval of the Arterial Life Cycle Program, an update will be given to the MAG Committees regarding the status of projects, including active Project Agreements and new Project Agreements that will be executed during that fiscal year.
- E. RTP and/or TIP amendments will still be required to go through the MAG Committee Process for any changes involving material cost, scope or schedule changes to the project.
- F. The Lead Agency and MAG will be signatories to the Project Agreement:
 - 1. To indicate their agreement to the Lead Agency designation and the terms of the agreement. The respective Town/City Managers, County/Community Administrator/Supervisor or designee will be the signing authority for that jurisdiction.
 - 2. To indicate roles and responsibilities in project implementation.

APPENDIX A - GLOSSARY AND DEFINITIONS

Acceleration	Acceleration means that all of the remaining projects, including the reimbursements for advanced projects, in the Arterial Life Cycle Program are moved forward in priority order.
ADOT	Arizona Department of Transportation
Advancement	Advancement of a project means that its implementation is moved earlier in time than previously scheduled in the MAG RTP and/or TIP, with the interest and any other incremental costs associated with the earlier implementation borne by the Lead and/or local agencies requesting the advancement. Reimbursement for the project will remain in the year(s) in which the project was scheduled before the proposed advancement.
ALCP	Arterial Life Cycle Program, or the “Program”
ALCP Regional Funds	ALCP Regional Funds are generated from the Maricopa County one-half cent sales tax extension and Federal Transportation Funds, including STP and CMAQ funds.
ARS	Arizona Revised Statutes
Certification Report	Periodic report produced, at least, annually for the ALCP providing an update on the status of the Program, current revenue and cost projections. The report will provide supporting information for the RTP Annual Report.
CIP	Capital Improvement Program
CTOC	Citizens Transportation Oversight Committee as referenced in ARS 28-6356
DCR	Design Concept Report, meeting the standards established for federal aid arterial projects. Key elements of the DCR for the ALCP include (but are not limited to) the development and provision of labor and material quantity based cost estimates for the entire ALCP project as specified in the RTP, categorized by project phase, segment and jurisdiction as appropriate; projected monthly cash flow requirements, for financial planning purposes; and appropriate contingency amounts for the completion of the project.
Enhancement	<p>“means an addition that exceeds generally accepted engineering or design standards for the specific type of facility.” (From HB 2456, 28-6351(2)) For the purposes of the ALCP, the term “enhancement” is defined more specifically as:</p> <ol style="list-style-type: none">1. Projects, project elements or project additions that are not design, right of way or construction related, including any project, project element or addition that is not a needed study, right of way acquisition or capacity or safety-related

infrastructure improvement. Examples include drainage in excess of typical needs for the roadway or intersection, “improvements” that tend to reduce through capacity, such as deletion of lanes and other traffic calming measures.

2. Project additions after a Design Concept Report has been completed, unless otherwise agreed to in the approved Project Agreement.
3. Additional limitations or requirements may apply, depending on the funding source.

EA	Environmental Assessment
EIS	Environmental Impact Statement
Federal Aid Project	Any project in which any federal aid funding is received. These projects are required to follow implementation processes established or required by the FHWA and administered through the ADOT Local Government Section.
FHWA	Federal Highway Administration
In-Kind Contribution	Contribution made to an ALCP project other than cash or cash equivalent funding, typically involving donation of right of way but may also include other aspects of project implementation such as design and construction.
ITS	Intelligent Transportation System
MAG	Maricopa Association of Governments
MAG Committee Process	Items are placed for action on the agendas of the MAG Transportation Review Committee (TRC), Management Committee, Transportation Policy Committee (TPC), as appropriate, and Regional Council
Major Arterial	“... means an interconnected thoroughfare whose primary function is to link areas in the region and to distribute traffic to and from controlled access highways, generally of region wide significance and of varying capacity depending on the travel demand for the specific direction and adjacent land uses.” (ARS 28-6304(c)(5))
Material Change	<p>In general, a material change is any change that could reasonably cause a change in decision regarding a project or an amendment to a project.</p> <p>It is further defined as any proposed change to a project that:</p> <ol style="list-style-type: none"> 1. changes scope by: <ol style="list-style-type: none"> a) modifying project termini by a quarter-mile or more, b) changing a freeway- or highway–arterial interchange location by a quarter mile or more, or changing its location so as to cause increased costs for the freeway or highway program, or any change in the design and/or location of the arterial project affecting the freeway or highway not agreed by ADOT,

- c) changing vertical alignment at a freeway or highway interchange between at-grade, depressed and elevated, or changing its alignment in such a way so as to cause increased costs for the freeway or highway program, or any change in vertical alignment affecting an interchange or grade separation not agreed by ADOT or light rail crossing not agreed by Valley Metro, as appropriate,
- d) changing major design elements (including, but not limited to, number of lanes),
- e) otherwise significantly modifying the scope of the project itself or negatively impacting a freeway, highway or light rail facility as determined in consultation with MAG staff,
- 2. changes costs:
 - a) in excess of 5% of the project budget as specified in the Project Overview or other agreement established for the project, or in excess of one million dollars, but not less than two hundred thousand dollars, and/or
 - b) to increase the regional share of the budget to an amount over the dollar amount specified in the RTP, or to an amount that represents over 70% of the project costs.
- 3. changes project completion by:
 - a) one or more fiscal years from the year shown in the TIP or RTP, or
 - b) changes project completion from one phase to another in the RTP, and/or
- 4. results from a finding of a performance and/or financial audit.

Memorandum of Understanding (MOU)	A type of agreement that may used as a bridge to a Project Agreement, for example in the development of project cost estimates and allocations across multiple jurisdictions that then may be agreed and incorporated into a more formal Project Agreement to be executed before the project is further implemented.
MPO	Metropolitan Planning Organization
Participating Agency	Any agency involved in implementing an ALCP Project. All partner agencies are participating agencies.
Program	ALCP or TIP, depending on context.
Project	ALCP arterial, arterial intersection and/or ITS project as described in the RTP and project-related documents. The project description includes funding, schedule, project termini and number of lanes added and other project features. See also "Sub-divided projects".
Project Component	ALCP projects may include several project components or major elements, such as widenings, grade separations, ITS applications, bike and pedestrian facilities, etc. The components together comprise the overall ALCP project.
Project Agreement (PA)	A legally binding contract or agreement between MAG and the Lead Agency established for the ALCP project.

Project Completion	<p>For the purposes of the material change policy, project completion means that all lanes of the roadway segment or intersection are open to traffic.</p> <p>For purposes of Project Agreements or other legal agreements for the project, project completion means when all requirements of the Agreements have been completed to the satisfaction of MAG (i.e. it is contract or agreement completion). A Project Agreement may establish dates for project completion considering administrative requirements or other requirements or needs as determined by MAG to be necessary.</p>
Project Overview	A managerial document that Lead Agencies complete for each ALCP Project, before a Project Agreement is signed. The Project Overview includes the Lead Agency information, project data, summary of the project, history and background, maps/photographs, ITS components, timeline, project data, cost estimates, summary of work and local, regional, federal and total costs.
Project Reimbursement Request	The guidelines and forms: request for payment, invoice and progress reports, that a Lead Agency completes when requesting reimbursement for an ALCP Project.
Reallocation	Re-assignment or re-programming of funds unexpended or not expected to be needed from one ALCP project to another ALCP project.
Reimbursement	Payment or compensation for costs incurred.
RTP	Regional Transportation Plan found to be in conformance for air quality purposes and approved by the MAG Regional Council. The RTP may be updated or amended from time to time, and any references to the RTP mean the currently approved version unless indicated otherwise. It is also referred to as the "Plan".
STIP	State Transportation Improvement Program
Subdivided Projects	Segments of RTP projects, where the original project as specified in the RTP is subdivided or proposed for subdivision into smaller, shorter segments or components that together comprise the original RTP project in its entirety.
TIP	MAG Transportation Improvement Program found to be in conformance for air quality purposes, approved by the MAG Regional Council, and approved by the Governor for inclusion in the STIP. As the TIP may be amended from time to time, any references to the TIP mean the currently approved version unless indicated otherwise.
TPC	MAG Transportation Policy Committee
TRC	MAG Transportation Review Committee

